

Welcome to the new FCS chairman

Justin Orde, founder and Joint Managing Director at Spitfire Technology Group, takes over as the new FCS chairman in July 2011.

Justin says, "I am pleased to be taking over the chair at FCS at a time of change and opportunity in the communications services industry. The FCS has grown in stature, membership and importance and plays a vital role in support of the industry, gathering and promoting the views of the sector, particularly on regulatory changes. My fellow board members and I welcome the challenge of driving the Federation forward and expanding the services we offer to our members.

"I would like to thank Adrian Grilli for his excellent leadership of the FCS for the past four years, particularly for expanding the spectrum agenda."

Justin Orde started his career in the army and then moved to telecoms setting up the forerunner of the

Gazelle Group PLC, one of the first companies to hold a service provider licence for Vodafone and Cellnet [now O2]. In 1988 Justin set up Spitfire, which is now a leading voice and data solution provider.

Justin Orde is supported by the new FCS Deputy Chairman, David Dadds, Managing Director of Vanilla IP. Dave has over 20 years experience in the telecoms business, starting at British Telecom and then going on to establish DRD Communications Ltd in 1986. Originally involved in the fixed line Business System market, call minutes and mobile phones, the business has evolved over the last 6 years to be a major player in the hosted VoIP market under the VanillaIP and Qudo brands. Dave is the co-chairman of the FCS Industry Forum and chairman of FCS



Justin Orde



Dave Dadds

awards committees and the VoIP group. He will be giving the industry keynote speech at Comms Provider 11 on 13 October.

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Editorial

We hope that you like our refreshed Bulletin design and layout which is new for 2011.



We start each New Year with a survey across the FCS membership to identify market trends and the issues bugging the companies. Some of them are reported in this edition.

The economic climate in the past year has had an impact on every industry and communications services are no exception. However our survey carried out last month has shown significant optimism by FCS members for the year ahead. Despite the natural consolidation occurring among companies in difficult times, most members predict growth in 2011. The very nature of communications services helps to underpin business and society; the services are now a necessity. The new telephony, numbering and radio services and entrepreneurial ideas arising from this sector bring greater efficiency to end user customers, helping them in turn to grow their businesses. But changes in regulation can have an impact on business models so we have to be extremely vigilant.

2011 is our year of celebration - 30 years of putting forward the voice of our community, which would otherwise never be heard. We can say that regulators come and go but FCS is there to provide stability.

We have seen the DTI turn into BERR then BIS and now we have Culture; in the past decade the Radiocommunications Agency became Ofcom and Oftel also became Ofcom. All the while European regulation has expanded and now not only the telecommunications framework has a significant influence on how UK providers act but there are extensive and growing environmental issues to take into account.

We look forward to seeing many of our members at the FCS 30th anniversary celebrations in London on 16 June and to celebrate the individual Heroes of FCS as well as the worthy FCS award winners for this year.

Jacqui Brookes – jbrookes@fcs.org.uk

Spectrum strategy

The FCS Spectrum Strategy Group was set up in March 2011 to consider future spectrum requirements from the perspective of FCS members, who include business radio licensees and suppliers, GSM licensees and the mobile distribution chain.

The group, chaired by Tim Cull and supported by vice chairman Tim Lane of Network Rail, has hit the ground running with the formulation of an annual plan and comprehensive inputs to Parliamentary, Government and Ofcom spectrum consultations.

In its responses in June to Ofcom's consultation on the auction of spectrum at 800 MHz and 2.6 GHz, destined for mobile broadband, and the Commons Culture Select Committee inquiry into spectrum release, FCS has highlighted the major challenge - how to ensure mobile broadband is used by the economy quickly and to maximum benefit.

FCS suggests that the spectrum packages could be a single package, with the entire spectrum in the hands of one entity that acts as a pure wholesaler like Openreach, or as Ofcom proposes, four national licensees and several sub national RANs. Under Ofcom's proposed option of four competing national licensees there must be adequate spectrum for each and a minimum of 2x10 MHz of the lower frequency spectrum to enable a healthy fourth operator to compete effectively.

FCS members report continued barriers to entry into the mobile

broadband market. Rapid and widespread delivery of services requires regulatory oversight to ensure fair retail competition and FCS suggests wholesale access obligations on the licensees and national roaming between the networks.

FCS supports an allocation for sub national RANs to encourage niche services and argues that there may be a role for setting aside sufficient spectrum to ensure that the Critical National Infrastructure has broadband spectrum for the future, following the example of the USA.

In its report to the DCMS Shareholder's Executive on deployment of the 500 MHz spectrum to be released by the MoD and other Government departments, FCS cautioned that an emphasis on release solely by auction may not achieve desired goals. The Government may be missing the opportunity to share spectrum without the need for expensive and disruptive total band clearance and FCS suggested that early gains could be achieved through spectrum sharing with professional radio services. Overall auctions are not appropriate for the majority of licence assignments and due consideration should be made for other mechanisms to be used.

FCS submissions to the spectrum consultations can be found at <http://www.fcs.org.uk/ConsultationResponses.aspx>

Tim Cull can be contacted at tcull@fcs.org.uk



Communications Act Review- proposals from FCS

FCS has responded to the Government's Communications Review, announced in January, by setting up a Communications Act Working Group chaired by Jacqui Brookes, with Roger Barnard of Modern Communications as the vice chairman.

The group includes companies delivering telecoms, broadband and mobile telephony as well as with the users and radio spectrum licensees.

In a comprehensive report to the Secretary of State for Culture FCS has concluded that major changes are needed to the legislation associated with spectrum, utility regulation, industry self-regulation and a proportionate appeals mechanism.

In Europe and the UK policies are being developed to make sure that communications services can support the whole economy into the future. Digital communications have a crucial role to play as the basis for payments, business processes, file sharing, smart energy metering and telemedicine as well as delivering TV, VoD and other social interaction. We will not be able to live in future without electronic communications or access to the internet.

Within this world the reseller sector has already demonstrated that it can provide vibrant and competitive services to UK business and individual customers through access to platforms and networks.

Different approaches to regulation will be needed into the future. Platforms and networks, such as mobiles, TV and the internet, increasingly deliver the same content to different devices. They are utilities and should now be regulated as such to ensure that the highest levels of resilience, maintenance,

continuity and security are applied. The Government has suggested that there should be platform neutral regulation into the future- this seems sensible. Undoubtedly there will be universal access obligations for the delivery of key digital services such as smart energy meters and telemedicine to homes and premises.

So how can we ensure competition, innovation and economic growth? FCS argues that in addition to infrastructure utility regulation, legislation should focus on retail competition to ensure fair, equivalent and non-discriminatory access to the utility platforms, be they mobile, fibre or TV. The communications services market has already shown that it can take wholesale products, such as WLR, and deliver innovative new services and bundles to customers. Continuing and sustaining this model should deliver the national benefits that the Government seeks. As a topical example of the need to protect this current competitive diversity, FCS has concerns that the roll out of fibre by Openreach is not taking sufficient account of the needs of resellers with a risk that the market will be skewed in favour of the infrastructure operators.

The current Comms Act 2003 now appears unwieldy and FCS suggests streamlining legislation to be more effective in future, in particular consolidating all spectrum legislation into a single Wireless Telegraphy Act [WT Act].

The CA2003 established Ofcom as an all-encompassing regulator and gave detailed guidance on duties towards commercial / consumer segments, but had almost no references to the essential professional uses of spectrum that we need to function as a modern society. Ofcom therefore has almost no duties towards the support of essential services necessary to the UK. Furthermore, the Act guides Ofcom to use competition and associated market mechanisms when managing the radio spectrum but with no account for fundamental differences between the various types of uses of the radio spectrum.

Therefore FCS proposes that matters relating to the management of the radio spectrum can be handled with a modified WT Act and thus the proposed new Communications Act need not have provisions in respect of radio spectrum in it at all. This would permit the management of the radio spectrum to be sufficiently flexible that the regulators would feel empowered to take the most appropriate course of action depending on the need.

DCMS is reviewing the responses to its consultation and plans to issue a green paper for consultation later in 2011.



Celebrating 30 years of FCS

On 16 June 2011 FCS celebrated its 30th anniversary with a gala dinner and awards ceremony in London. Outgoing chairman Adrian Grilli welcomed all the guests and introduced Chi Onwurah MP who raised a toast to FCS and its members. After dinner the guests were entertained by broadcaster John Sergeant who presented the FCS 2011 industry awards to the winners and runners up.



Chi Onwurah and Jacqui Brookes



Adrian Grilli





John Sergeant



Chi Onwurah

- list the sponsors / include their logos

Congratulations to the successful entrants to the 2011 FCS Industry awards

Gerald David OBE Award for Innovation in Business Radio – Sponsored by Hytera

Winner: AWSCL

Runner Up: Icom



Communications Provider of the Year Award – Sponsored by Openreach

Winner: Gradwell

Runner Up: Chess Telecom



Reseller of the Year Award – Sponsored by the Kenton Group

Winner: The Phone Co-op

Runner Up: Incom Business Systems



FCS Green Award – Large Business – Sponsored by the Joint Radio Company Ltd

Winner: The Phone Co-op

Runner Up: KCOM



FCS Green Award – Small Business – Sponsored by Inturn Trading Ltd

Winner: Genuine Solutions Ltd

Runner Up: STL Communications Ltd



FITAS Installer of the Year Award – Sponsored by Genuine Solutions

Winner: Avian Mobile Limited

Runner Up: Premier Communication Electronics Ltd



Coming soon!



Changes to General Conditions

In May 2011, a number of changes to the General Conditions arising from the UK's implementation of the new EU Framework came into force. The key changes likely to affect FCS members were to General Condition 9 on Contract Terms and General Condition 18 on Number Portability.

There are three main changes to the regulation on Contract Terms.

- A two year maximum has been introduced for consumer contracts. It has been clarified that this restriction applies only to residential customers - business customers of any size are excluded.
- CPs must offer an option to contract for a maximum 12 months. In this case, the regulation applies to all "Users", residential customers and businesses of any size. However, the 12 month option only needs to be provided following on request and that terms offered do not need to be equivalent to a longer agreement.
- The right of customers to withdraw from contracts without penalty following contract modifications has been extended to business customers (of all sizes). This only applies to where the changes are likely to be of "material detriment". FCS is working to clarify how Ofcom will interpret this for business contracts.

Members should also be aware that, as the result of a separate consultation, automatically renewable contracts also likely to be banned. This will apply to residential customers and small business up to 10 employees when the final statement is published.

The changes to Number Portability are as follows:

- CPs are required to port customers' numbers within one working day. However, for fixed number porting, where measures to protect consumers from slamming are in place, CPs will have to port numbers within one day after these steps have been completed.
- Providers are also required to pay compensation to customers (both business and residential) where there is delay or abuse of the porting process. Providers are able to design their own scheme and industry is seeking to agree protocols on how compensation should be paid. It is proposed that the gaining provider should pay the compensation (at a nominal level of a day's rental per day of delay) and absorb the cost. Any claims arising from, for example, loss of business should be dealt with separately via the CP's existing complaints procedure.

If you require further detail or have any queries on how the above regulation may apply to your company please contact meagle@fcs.org.uk

Installation Futures declared a success

On 19 May FCS staged the latest of its popular annual events for the installation community. Organised in conjunction with ITS UK and held under the banner of "Installation Futures – ITS in your vehicle", the event highlighted the drivers for change and the best practice which will be needed to capitalise on the new opportunities which are emerging. Interested parties from all sections of the industry came together and heard speakers from MIRA, SMMT the Police and Innovits as well as FCS and ITS UK.

Above right: Delegates listen to a presentation from the varied speaker line up

Below right: John Thomson, chair of the FCS Installers Group and Neal Skelton of ITS UK shake hands at the conclusion of a successful event



New members

FCS is pleased to welcome the following companies that have recently joined the Federation:

- AES (Manchester) Ltd
- Avalle LLP
- Azzuri Ltd
- Call Sense UK
- Design Telecommunications UK Ltd
- Freeman Telecom Limited
- Incom Business Systems Limited
- MF Communications (UK) LLP
- NGO Consulting Ltd
- OutsourceVoice
- PA Communications
- Rubyhall Solutions Ltd
- Selex Communications
- Sensim Telecom
- Strategic Network Consulting Ltd
- Telephony Services Ltd
- VTSL t/as Voxalis
- White Rose Network Solutions
- Yoozcom Telecom Ltd

A full directory of FCS members can be found on the FCS website - www.fcs.org.uk

For information on FCS meetings, events and membership please contact Louise Britchford or Laura Ford on 020 82496363 or fcs@fcs.org.uk

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Heroes of FCS

To celebrate our 30 years FCS recognised those individuals who stand out for their contribution to FCS as a trade body and the industry we serve. At the 30th anniversary event on 16 June awards were made to six Heroes of FCS by broadcaster John Sergeant:



Roy Pierce for long service to the business radio



Ash Potter for his excellent service to the fixed telephony sector as chair of the Fixed SP group



John Thomson for services to the mobile communications and installation sector



Kieron James for his initiative in putting forward the voice of the numbering providers by setting up the FCS numbering group



Jonathan Clark MBE whose foresight it was 30 years ago to set up the Federation and chair the FCS for 20 years



Christine Warwick, Office manager, who retired at the end of June 2011 after nearly 18 years with the Federation

FITAS the accreditation scheme for installers

